

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION
Small Water Branch

RESOLUTION NO. W-4020
January 23, 1997

R E S O L U T I O N

(RES. W-4020), DOMINGUEZ WATER CORPORATION (DWC). ORDER
AUTHORIZING AN OFFSET RATE INCREASE OF \$374,903 OR 1.6%
ADDITIONAL ANNUAL REVENUE.

BY ADVICE LETTER NO. 163, FILED ON DECEMBER 11, 1996.

SUMMARY

This Resolution grants DWC an increase in gross annual revenue of \$374,903 or 1.6%, to offset changes in operating costs that have occurred since its present rates became effective. The increase will not result in a rate of return greater than last authorized for DWC.

BACKGROUND

DWC requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates for water service to offset: (1) a \$373,744 increase in purchased water expense, and (2) \$1,159 in related increases in uncollectibles;

DWC serves about 32,000 metered customers in portions of the cities of Carson, Torrance, Los Angeles, Long Beach, and vicinity, in Los Angeles County.

The present rates became effective on August 11, 1995, pursuant to Res.W-3933, which authorized an offset rate increase of \$1,455,109 or 6.7% in additional revenues. The last general rate increase was authorized by Decision 92-12-056, dated December 16, 1992, in which the Commission granted an increase in annual revenues of \$1,456,500 or 9.11% with a rate of return on rate base of 10.63%.

DISCUSSION: The offset increase requested herein is for the purpose of recovering in rates on a dollar-for-dollar basis, changes in items that have occurred since the present rates became effective. Increases in purchased water and uncollectibles are shown in the following table:

	Adopted Rate (D.92-12-056)	Current Authorized Rate (AL No. 161)	Rate Effective Jan 1, 1997
<u>Purchased Water</u>			
West Basin MWD	\$341/AF	\$501/AF	\$521/AF
Uncollectibles	0.31¢	0.31¢	0.31¢

Since the increase is caused by changes in expenses directly related to water consumption, it should be applied to the quantity rates. The rates for all quantities of water delivered would be increased by \$0.025 per Ccf (one Ccf is one hundred cubic feet).

DWC's balancing account as of October 30, 1996, shows an undercollection of \$130,501. This is about 0.6¢ of the gross annual revenues. The Water Division's procedures allow recovery only when the balance exceeds 2¢ of revenues.

Service is satisfactory. There are no Commission orders requiring system improvement, nor are there significant service problems requiring corrective action.

The rate increase will result in a \$0.38 or 1.6¢ increase for the average metered customer on a 5/8 x 3/4-inch meter. The monthly bill for the average customer using 15 Ccf per month will increase from \$24.04 to \$24.42.

NOTICE AND PROTESTS

DWC has given public notice of the request by publishing it in local newspapers: the Carson Bulletin on December 18, 1996; the Long Beach Press Telegram on December 13, 1996; and the Daily Breeze on December 13, 1996. No customer correspondence protesting the rate increase was received by the Water Division.

FINDINGS

THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

IT IS ORDERED that:

1. Dominguez Water Corporation is authorized, five days after the effective date herein, to make effective revised Schedule 1, General Metered Service, and Schedule 3M, Metered Irrigation Service, as attached to Advice Letter 163, and concurrently to cancel the presently effective schedules.
2. Dominguez Water Corporation is directed to maintain its balancing accounts in accordance with Public Utilities Code Section 792.5.
3. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on January 23, 1997. The following Commissioners approved it:


WESLEY M. FRANKLIN
Executive Director

P. GREGORY CONLON
President
JESSIE J. KNIGHT, Jr.
HENRY M. DUQUE
JOSIAH L. NEEPER
RICHARD A. BILAS
Commissioners